



Financing Opportunities in Ukraine

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Lviv, 15 March 2018



CORPORATE BUSINESS

Energy of Growth

Banking System in Ukraine



Overview of Ukrainian Banking Sector

- Overall sector still loss making (UAH 25 bln net loss in 2017 vs. UAH 159 bln in 2016)
- 86 operating banks (down from close to 190 prior to crisis)
- 38 banks with foreign capital
- 5 state owned banks totalling almost 58% of total assets
- Very fragmented banking system (no private bank with more than 5 % market share)

Raiffeisen – Best Performing Bank in Ukraine



Following turbulent years the Bank has managed an impressive turn-around and 2016 has been the most successful year in its history, followed by impressive 9 months 2017 results:

- EUR 2 bln total assets
- EUR 139 mln net profit in 9M2017
- Almost 90% NPL coverage ratio
- Capital Ratio (BIS CAR) of 24,5%
- Impressive 85% ROE after tax
- Total of over 2,55 mn customers across the country, serviced in almost 500 branches in all regions of Ukraine (excluding occupied Crimea and ATO zone)

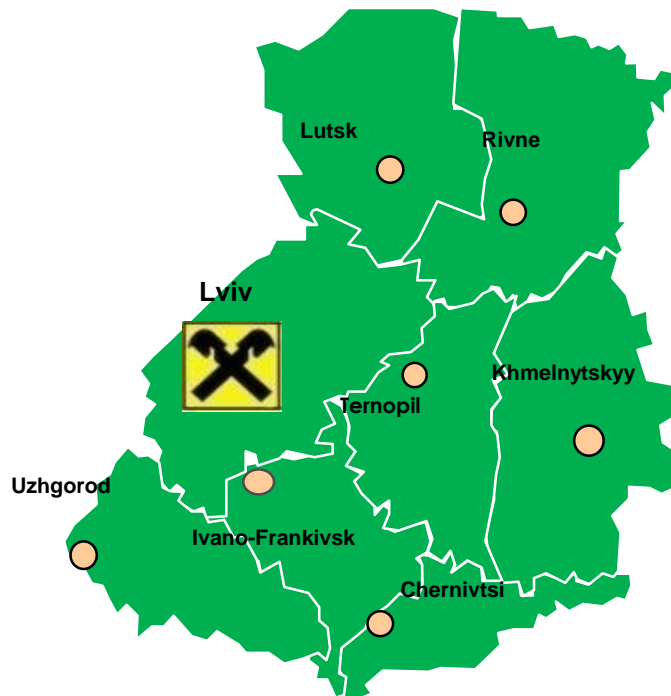


Raiffeisen in Western Ukraine



Lviv Macroregion

- 10,5 mn citizens
- 2 220 – branches of banks in region



Structure of Lviv's Macroregion:

- 87 branches
- FTE: Corporate – 37, Retail - 611
- 485 ATM
- 79 servicing centers
- 2 800 active corporate customers (International customers: 237)
- 161,7 tsd. active salary customers
- 436,4 tsd. active retail business customers

FCY Restrictions and Capital Control



As crisis response to 2013-14 LCY devaluation and capital flight – NBU has introduced following temporary measures:

FX Controls

FCY Purchase by the customers:

- Purchase of FCY is not allowed from UAH loan proceeds; Purchase of FCY is only allowed to service specific contract which has to be registered with NBU via a local servicing bank
- Purchase of FCY is subject to providing multiple supporting documents and depositing funds on special account 1 business day before a transaction
- Incoming export FCY – 50% have to be converted into LCY within 1 day
- In case advance payment abroad it's counter-value must be in Ukraine within 180 days (either goods imported or advance payment returned)
- In case goods exported from Ukraine before payment, it has to be received within 180 days (or goods must be returned within 180 days)

Capital Controls

Capital controls and restrictions:

- Investing abroad is still subject to receiving special license of National Bank of Ukraine
- Repatriation of dividends is limited to USD 7 million per month
- Repatriation is subject to providing multiple supporting documents and depositing funds on special account 1 business day before FCY purchase

Cross Border Loans

Cross-border loans (excluding those from IFIs):

- Loans are subject to registration with National Bank of Ukraine via a local servicing bank
- Maximum cap on interest rate is applied (depending on tenor of the loan and loan CCY)
- Prepayment of the loans has been allowed within USD 2 million a month

Financing Options



Local bilateral financing for Importer in EUR, USD or UAH

- Investment
- Working capital

Partnership Programs

Trade Finance / TF Facilitation Programs with EBRD, IFC

Risk-sharing Agreements with IFIs

Export Finance

Advantages of Partnership Programs



Offers local companies the possibility to purchase high-quality vehicles, equipment and crop-protection products from leading manufacturers on favorable and attractive terms.

Raiffeisen is the market leader on equipment financing with record sales in 2016/17



Interest rate is much lower than the market rate



Downpayments from 20% for vehicles and equipment



Seasonal loan repayment schedule is possible

Financing period: from 6 months to 5 years

Provides working capital relieve for suppliers

Our partners:



JOHN DEERE



Partnership Options



Option 1

Seller is an official dealer of Exporter in Ukraine

- Down payment: 20% of purchase price
- Financing in UAH
- No arrangement fees
- Collateral: Purchased technique

Option 2

Direct import contract between Exporter and local customer

- Down payment: 20% of purchase price
- Financing in EUR
- Collateral:
 - Purchased technique (after delivery and registration of title)
 - Corporate guarantee of Exporter and/or other credit enhancements

Your Contact Person in Ukraine



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